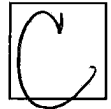


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02113A



Chaparral City Water Co.
630 E. Toothill Blvd.
San Dimas, CA 91773

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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RECEIVED

APR 21 2008
Chaparral City Water Co.
San Dimas, CA 91773

FOR COMMISSION USE

ANN04	07
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4-21-08

COMPANY INFORMATION

Company Name (Business Name) Chaparral City Water Company			
Mailing Address P.O. Box 17030			
(Street)			
Fountain Hills	AZ	85269	
(City)	(State)	(Zip)	
(480) 837-3411	(480) 837-5310	(480) 945-6311	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rhanford@gswater.com			
Local Office Mailing Address 12021 N. Panorama Drive			
(Street)			
Fountain Hills	AZ	85268	
(City)	(State)	(Zip)	
(480) 837-3411	(480) 837-5310	(480) 226-3651	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rhanford@gswater.com			

MANAGEMENT INFORMATION

Management Contact:			
Floyd E. Wicks		President & CEO	
(Name)		(Title)	
630 East Foothill Blvd	San Dimas	CA	91773
(Street)	(City)	(State)	(Zip)
(909) 394-3600	(909) 394-0711		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Fewicks@gswater.com			
On Site Manager:			
Robert Hanford			
(Name)			
12021 N. Panorama Drive	Fountain Hills	AZ	85268
(Street)	(City)	(State)	(Zip)
(480) 837-3411 Ext. 217	(480) 837-5310	(480) 226-3651	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rhanford@gswater.com			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____ **United States Corporation Company** _____

(Name)

2338 West Royal Palm Road

(Street)

Phoenix

(City)

AZ

(State)

85022

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____ **Norman D. James, Law Offices of Fennemore Craig** _____

(Name)

3003 North Central Avenue #2600

(Street)

Phoenix

(City)

AZ

(State)

85012-2913

(Zip)

(602) 916-5346

Telephone No. (Include Area Code)

(602) 916-5546

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$1,316,797	639	\$1,316,158
302	Franchises			
303	Land and Land Rights	271,857	0	271,857
304	Structures and Improvements	1,545,008	426,726	1,118,282
307	Wells and Springs	332,065	65,990	266,075
311	Pumping Equipment	2,695,454	1,019,908	1,675,546
320	Water Treatment Equipment	8,146,725	2,356,570	5,790,155
330	Distribution Reservoirs and Standpipes	9,860,147	2,731,533	7,128,614
331	Transmission and Distribution Mains	19,471,272	6,303,711	13,167,561
333	Services	8,277,965	1,471,241	6,806,724
334	Meters and Meter Installations	2,722,117	1,258,939	1,463,178
335	Hydrants	1,469,817	270,147	1,199,670
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,940,072	470,336	1,469,736
340	Office Furniture and Equipment	277,217	92,197	185,020
341	Transportation Equipment	545,199	195,865	349,334
343	Tools, Shop and Garage Equipment	149,456	44,243	105,213
344	Laboratory Equipment			
345	Power Operated Equipment	789		789
346	Communication Equipment	43,326	29,514	13,812
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	\$59,065,283	\$16,737,559	\$42,327,724

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME: Chaparral City Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense * (1x2)
301	Organization	\$34,063	0	0
302	Franchises			
303	Land and Land Rights	271,857	0	0
304	Structures and Improvements	1,518,648	3.33%	50,571
307	Wells and Springs	332,065	3.33%	11,058
311	Pumping Equipment	1,483,614	12.50%	185,452
320	Water Treatment Equipment	7,757,814	3.17%	246,290
330	Distribution Reservoirs and Standpipes	8,176,966	2.16%	176,265
331	Transmission and Distribution Mains	17,450,634	1.50%	261,376
333	Services	7,389,930	3.26%	240,781
334	Meters and Meter Installations	2,722,117	5.61%	152,589
335	Hydrants	1,171,633	1.90%	22,257
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,717,229	12.11%	207,996
340	Office Furniture and Equipment	270,359	11.35%	30,694
341	Transportation Equipment	535,315	16.80%	89,933
343	Tools, Shop and Garage Equipment	149,365	4.20%	6,273
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	39,105	8.40%	3,285
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	\$51,020,714	3.30%	1,684,820

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

NOTE: * Depreciation expense is net of CIAC amortization and Clearing account allocation portion.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$404,691	\$14,443
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	350,897	354,390
146	Notes/Receivables from Associated Companies	1,053,907	953,185
151	Plant Material and Supplies	14,521	13,908
162	Prepayments	192,485	157,116
174	Miscellaneous Current and Accrued Assets	13,200,694	12,922,239
	TOTAL CURRENT AND ACCRUED ASSETS	\$15,217,195	\$14,415,281
	FIXED ASSETS		
101	Utility Plant in Service	\$51,020,714	\$59,065,283
103	Property Held for Future Use	-	-
105	Construction Work in Progress	2,241,397	946,533
108	Accumulated Depreciation – Utility Plant	(14,947,296)	(16,737,559)
121	Non-Utility Property	-	-
122	Accumulated Depreciation – Non Utility	-	-
	TOTAL FIXED ASSETS	\$38,314,815	\$43,274,257
	TOTAL ASSETS	\$53,532,010	\$57,689,538

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable *	\$308,239	\$316,455
232	Notes Payable (Current Portion)	280,000	300,000
234	Notes/Accounts Payable to Associated Companies	1,400,000	1,650,000
236	Accrued Taxes/Income taxes payable	0	4,779
237	Accrued Interest	34,790	31,369
241	Miscellaneous Current and Accrued Liabilities	460,737	376,011
	TOTAL CURRENT LIABILITIES	2,483,766	2,678,614
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$6,585,000	\$6,285,000
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	-	-
235	Customer Deposits	\$819,845	\$699,321
252	Advances in Aid of Construction	6,557,243	5,562,045
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	6,220,754	11,590,009
272	Less: Amortization of Contributions	(31,791)	(256,492)
281	Accumulated Deferred Income Tax	4,070,137	3,666,692
	Other Credits	647,876	807,101
	TOTAL DEFERRED CREDITS	\$18,284,064	\$22,068,676
	TOTAL LIABILITIES	\$27,352,830	\$28,353,676
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$4,603,140	\$4,603,140
211	Paid in Capital in Excess of Par Value	14,929,468	14,946,900
215	Retained Earnings	6,646,572	7,107,208
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	\$26,179,180	\$26,657,248
	TOTAL LIABILITIES AND CAPITAL	\$53,532,010	\$57,689,538

* Includes \$39,510 of bank overdrafts as of 12/31/07

COMPANY NAME: Chaparral City Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	2006	2007
461	Metered Water Revenue	\$7,673,618	\$7,605,660
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	82,289	98,381
	TOTAL REVENUES	\$7,755,907	\$7,704,041
	OPERATING EXPENSES		
601	Salaries and Wages	\$924,576	\$964,163
610	Purchased Water	934,095	856,379
615	Purchased Power	618,039	617,934
618	Chemicals	127,457	88,968
620	Repairs and Maintenance	104,609	133,453
621	Office Supplies and Expense	19,800	22,978
630	Outside Services	266,544	478,461
635	Water Testing	43,458	22,989
641	Rents	-	-
650	Transportation Expenses	70,430	95,284
657	Insurance – General Liability	(1,294)	9,165
659	Insurance - Health and Life	-	78,096
666	Regulatory Commission Expense – Rate Case	168,158	295,958
675	Miscellaneous Expense	1,243,108	884,672
403	Depreciation Expense	1,632,458	1,684,820
408	Taxes Other Than Income	44,200	66,759
408.11	Property Taxes	242,105	207,563
409	Income Tax	241,774	295,012
	TOTAL OPERATING EXPENSES	\$6,679,517	\$6,802,654
	OPERATING INCOME/(LOSS)	\$1,076,390	\$901,387
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$64,397	\$49,322
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	(92,235)	(5,882)
427	Interest Expense	(543,433)	(479,814)
	TOTAL OTHER INCOME/(EXPENSE)	(\$571,271)	(\$436,374)
	NET INCOME/(LOSS)	\$505,119	\$465,013

COMPANY NAME: Chaparral City Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	December 1997			
Source of Loan	IDA Bond 1997A & B			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$8,920,000		\$	\$
Amount Outstanding	\$6,585,000		\$	\$
Date of Maturity	2022			
Interest Rate	5.20%- 5.40%			
Current Year Interest	\$366,185		\$	\$
Current Year Principle	\$280,000		\$	\$

Meter Deposit Balance at Test Year End

\$699,321

Meter Deposits Refunded During the Test Year

\$205,420

COMPANY NAME: Chaparral City Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-604784(not in service)	N/A	1500	725	10 3/4	8	1970
55-604785(not in service)	N/A	1180	765	350-20/415-16	10	1970
55-604786	350	1700	738	450-20/288-16	10	1972
55-604787	250	1100	768	300-20/468-16	10	1972

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CAP Water Treatment Plant I	3,470	0
CAP Water Treatment Plant II	10,417	2,273,633
Well #10 and #11	2,800	35,528

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	4	1,630	n/a
60	2		
75	8		
100 & 125	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
3.5	1	10,000	3
1.5	1	5,000	2
1.25	4	3,000	1
0.5 or less	3		

COMPANY NAME: Chaparral City Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		57,344
5		
6		489,935
8		246,066
10		4,050
12		140,399
16		30,045
18		27,613

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	8,557
1	4,554
1 1/2	173
2	166
Comp. 3	31
Turbo 3	
Comp. 4	8
Tubo 4	
Comp. 6	3
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Chaparral City Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED & Purchased (Thousands)
JANUARY	13,378	127,328	150,829
FEBRUARY	13,379	116,389	129,491
MARCH	13,395	111,570	169,581
APRIL	13,397	140,858	178,782
MAY	13,417	143,595	207,837
JUNE	13,444	185,269	234,819
JULY	13,453	201,319	246,751
AUGUST	13,462	189,419	245,547
SEPTEMBER	13,474	224,262	224,454
OCTOBER	13,487	164,271	228,107
NOVEMBER	13,491	210,834	190,700
DECEMBER	13,488	190,436	102,261
TOTAL		2,005,550	2,309,159

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(X) Yes () No

If yes, provide the GPCPD amount: 128

**What is the level of arsenic for each well on your system. Well #10= 9.3mg/l
Well #11=10.0 mg/l**

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Chaparral City Water Company YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$224,822

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A BLUE BACKGROUND AND A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST" IN THE PAPER



Chaparral City Water Company
 A Subsidiary of American States Water Company
 12021 Panorama Drive
 Fountain Hills, AZ 85268

PARCEL/ACCOUNT # 604-99-831-1

Wells Fargo Bank
 333 South Hope Street
 Los Angeles CA 90071

00007918

11-24
 1210(8)

DATE	AMOUNT
04/27/07	\$***121,040.64

VOID AFTER 6 MONTHS

Pay

ONE HUNDRED TWENTY ONE THOUSAND FORTY AND 64/100*****

Dollars

TO
 THE
 ORDER
 OF

MARICOPA COUNTY TREASURER
 PO BOX 52133
 PHOENIX AZ 85072-2133

Floyd L. Wink
Glady J. Jara

⑈00007918⑈ ⑆121000248⑆ 4496 805110⑈

⑈0012104064⑈

THIS CHECK CONTAINS THE FOLLOWING SECURITY FEATURES:

- 1 GRADUATED COLOR BACKGROUND - See front warning band for authentication of colors
- 2 TRUE FLUORESCENT FIBERS - Invisible fibers integrated into paper which are detectable only under UV light and can't be reproduced on copiers
- 3 MICRO PRINTING - Under magnification, front and back borders had SAFECHECK...
- 4 TONER GRIP - Forms permanent adhesion between toner and paper fibers. This feature prevents scraping and taking of toner
- 5 MULTI-LANGUAGE BROWNSTAIN VOID - The word void appears in 6 languages upon contact with bleach based eradicators
- 6 SOLVE IT DYE REACTION - Alteration attempts with solvent-based ink eradicators cause black or blue stain, this feature fulfills U.S. Treasury specifications
- 7 TRUE WATERMARK - Hold up to light to see "SAFE" and "VERIFY FIRST" watermarked into the paper

11-015 MAR 19 2007 CITY OF PHOENIX
 1221017064 E2467 94 P06
 05/04/07
 322000100000

DO NOT WRITE SIGN OR STAMP BELOW RESERVED FOR FINANCIAL INSTITUTION USE

BORDERS ON THE FACE AND BACK CONTAIN MICROPRINTING AND MAY BE SEEN UNDER MAGNIFICATION. LOOK FOR SAFECHECK...

ENDORSE HERE

X

Posting Date	Posting Account	Amount	Serial No.	Bank Reference No.	CD Volume
5/4/2007	4496805110	\$121040.64	7918	8828856599	20070531050301

11-24
1210(8)

VOID AFTER 6 MONTHS

2014

Floyd G. Wicks

000000 200 1 7

THIS CHECK CONTAINS THE FOLLOWING SECURITY FEATURES:-

[illegible]

BANK OF AMERICA NA THE
#122191706# E2364 94 P06
11/02/67
3150649252

LINDORSE FILMS

THE CLOCK IS TOLD WITHOUT A SECOND'S SLACK. ON THE FRONT AND A TRUE WATERMARK HOLD UP TO LIGHT TO SEE "SAFE" AND "VERITY FIRST"

THE #1 SIGNIFICATION LOOK FOR SAFECHECK

CD Volume
20071130040701

THIS CHECK IS VOID WITHOUT A BLUE BACKGROUND AND A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST" IN THE PAPER

Chaparral City Water Company
 A Subsidiary of American States Water Company
 12021 Panorama Drive
 Fountain Hills, AZ 85268

Wells Fargo Bank
 333 South Hope Street
 Los Angeles CA 90071

00008550

11-24
 1218(8)

DATE	AMOUNT
10/19/07	\$***103,581.32

VOID AFTER 6 MONTHS

Pay

ONE HUNDRED THREE THOUSAND FIVE HUNDRED EIGHTY ONE AND 32/100*****

Dollars

TO MARICOPA COUNTY TREASURER
 THE PO BOX 52133
 ORDER PHOENIX AZ 85072-2133
 OF

Parcel / Act # 604-99-851 1

Theresa F. White
Theresa F. White

⑈00008550⑈ ⑆121000248⑆ 4496 805110⑈

⑈0010358132⑈

THE CHECK IS VOID WITHOUT A BLUE BACKGROUND AND A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST" IN THE PAPER

BANK OF AMERICA NA TLE
 122161764 E2368 95 P66
 11/02/07
 01100240240

FOR DEPOSIT ONLY - NO OTHER STAMP BELOW REQUIRED FOR FINANCIAL INSTITUTION USE
 BORDER CUT-OUT AND BACK COPY 1 W/REPRODUCTION AND MAY BE SEEN
 UNDER MAGNIFICATION. LOOK FOR "SAFE" CHECK

ENDORSE HERE

X

Posting Date
 11/2/2007

Posting Account
 4496805110

Amount
 \$103581.32

Serial No.
 8550

Bank Reference No.
 8866526994

CD Volume
 20071130040701

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 14 2008
COMM
Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Floyd E. Wicks, President & CEO
COMPANY NAME
Chaparral City Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

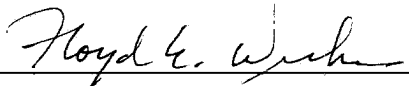
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
(909) 394-3600 ext. 610

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF


THIS

15th

DAY OF

COUNTY NAME	Los Angeles	
MONTH	April	2008

(SEAL)



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 20, 2009

Carol K. Canamar, Notary Public



COMPANY NAME CHAPARRAL CITY WATER COMPANY **YEAR ENDING 12/31/2007**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	— \$551,235
Estimated or Actual Federal Tax Liability	— \$192,932
State Taxable Income Reported	— \$475,639
Estimated or Actual State Tax Liability	— \$33,142

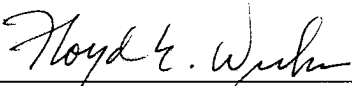
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	— \$84,529
Amount of Gross-Up Tax Collected	— \$8,096
Total Grossed-Up Contributions/Advances	— \$92,625

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2008

DATE

Floyd E. Wicks
PRINTED NAME

President and Chief Executive Officer
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 18 2008

VERIFICATION

STATE OF **Arizona**

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Floyd E. Wicks, President & CEO
COMPANY NAME	Chaparral City Water Company

-2 CCRP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$8,446,676

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 742,635
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(909) 394-3600 ext. 610
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)

COUNTY NAME	Los Angeles	
MONTH	April	2008

MY COMMISSION EXPIRES June 20, 2009


SIGNATURE OF NOTARY PUBLIC
Carol K. Canamar, Notary Public

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 13 2008

CHAPARRAL CITY WATER COMPANY
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Floyd E. Wicks	President & CEO
COMPANY NAME Chaparral City Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 6,819,498

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 599,573
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Floyd E. Wicks
SIGNATURE OF OWNER OR OFFICIAL

(909) 394-3600 ext. 610

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

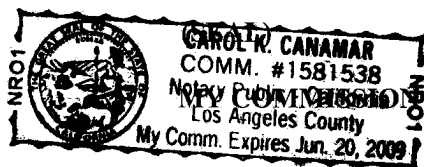
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

NOTARY PUBLIC NAME Carol Kadowaki Canamar	
COUNTY NAME Los Angeles	
MONTH April	2008



EXPIRES June 20, 2009

X

Carol K. Canamar
SIGNATURE OF NOTARY PUBLIC

Carol K. Canamar, Notary Public